

## NOTES

## Chapter 2: Period of Availability of Funds

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### Highlights of Chapter:

- ◆ Redesignation of Fund Year
- ◆ Availability of Awards
- ◆ Obligation of Funds
- ◆ Expenditure of Funds
- ◆ Award Extension Criteria

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**Redesignation of Fund Year.** States are prohibited from changing their block/formula awards and their related obligations and expenditures from one Federal fiscal year to another Federal fiscal year.

**Availability of Awards.** Block/formula grants administered by the Bureau of Justice Assistance (BJA) and the Office of Juvenile Justice and Delinquency Prevention (OJJDP) are awarded for the Federal fiscal year of the appropriation plus two additional Federal fiscal years.

Formula grants administered by the Office for Victims of Crime (OVC) awards are available for the fiscal year of the award plus three additional fiscal years.

Discretionary awards made by OJP offices and bureaus are awarded for a specified time and a particular award period is established for each award (usually 12 or 18 months).

**Obligation of Funds.** An obligation occurs when funds are encumbered, such as a valid purchase order or requisition to cover the cost of purchasing an authorized item on or after the begin date and up to the last day of the grant period in the award. Any funds not properly obligated by the recipient within the grant award period will lapse and revert to the awarding agency. The obligation deadline is the last day of the grant award period unless otherwise stipulated. (**Example:** If the award period is 10/1/98 to 9/30/99, the obligation deadline is 9/30/99). Block/formula grantees and subgrantees must complete performance during the obligation period. Performance as a result of a contract under a block/formula grant may be completed during the expenditure period not to exceed 90 days after the end date of the grant. No additional obligations can be incurred after the end of the grant.

**Note:** LLEBG Block Grants beginning with 1999, the obligation period will begin after the required public hearing and advisory board meeting(s).

**Expenditure of Funds.** Block, formula, and discretionary funds which have been properly obligated by the end of the award period will have 90 days in which to be liquidated (expended). Any funds not liquidated at the end of the 90-day period will lapse and revert to the awarding agency, unless a grant adjustment notice extending the liquidation period has been approved. (**Example:** If the award period is 10/1/98 to 9/30/99, the expenditure deadline is 12/29/99).